

Message Text

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67

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 AGR-05 H-02 L-03 STR-04

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P R 022010Z JUL 75

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC PRIORITY 4126

INFO AMEMBASSY PORT AU PRINCE

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E.O. 11652: N/A

TAGS: ETRD, EAGR

SUBJECT: HOUSE OF REPRESENTATIVES SUGAR HEARINGS AND REQUIRED INFORMATION

REF: STATE 141876; FAS, DR 5015, 4-30-75; FAS, DR 4042, 9-20-74

FOLLOWING RESPONSES ARE KEYED TO QUESTIONS RAISED IN PARA 2 OF REFTEL.

(Q) 8.5 CENTS PER POUND (AVERAGE FOR ALL THREE MAJOR PRODUCERS). THIS IS EMBASSY ESTIMATE BASED ON ALL INFORMATION AVAILABLE. LAST SUMMER THE EMBASSY WAS INFORMED ON VERY RELIABLE BASIS THAT GULF AND WESTERN (G&W) PRODUCTION COSTS WERE 6.5 CENTS PER POUND. ASSUMING A 20 PERCENT COST INCREASE, FIGURE WOULD BE 7.8 PERCENT TODAY. G&W IS MOST EFFICIENT OF THREE MAJOR PRODUCERS.

(B) 17 CENTS PER POUND

(C) 15 CENTS PER POUND

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(D) PRODUCTION AND EXPORTS ESTIMATED BY THE EMBASSY

(MILLIONS OF SHORT TONS):

	1974	1976	1977	1978	1979	1980
PRODUC-						
TION	1.29	1.4	1.5	1.55	1.6	1.65
EXPORTS	1.0	1.1	1.15	1.2	1.25	1.3

(E) FOR THE PERIOD 1975-76, THE THREE MAJOR PRODUCERS PLAN INVESTMENTS TO EXISTING FACILITIES WHICH WILL EXPAND CURRENT PRODUCTION. THE SMALLEST OF THE THREE, VICINI, S PLANNING A \$5 MILLION INVESTMENT WHICH WOULD ADD TO PROCESSING CAPACITY. VICINI HAS NO MORE LAND FOR EXPANDED PLANTING FOR ONE-THIRD OF THEIR MILLS. CEA IS PLANNING \$9 MILLION EXPENDI- TURE FOR IMPROVEMENT OF TRANSPORTATION AND HAINA MILL. CURRENT MILL CAPACITY IS ABOUT 12,500 TONS PER HOUR BUT CURRENT USE IS ABOUT 11,000. IMPROVEMENTS DESIGNED TO MOVE CLOSER TO ACTUAL CAPACITY. CEA COULD EXPAND AREA OF PLANTINGS CONSIDERABLY. G&W REPORTS IT ALOS HAS PLANS FOR INCREASED PLANTING, FOR IMPROVED YIELD BY FURTHER ADAPTATION OF DIFFERENT VARIETIES OF CANE TO DIFFERENCT SOILS, AND FOR INCREASED PROCESSING. ON JUNE 27, HOWEVER, PRESIDENT BALAGUER DECREED THERE WOULD BE NO ADDITIONAL LAND PLANTED IN SUGAR CANE-- BUT THE DECREEE CRIES NO SANCTIONS FOR VIOLATIONS.

(F) ANNUAL RATE OF INCREASE HAS BEEN ABOUT 10 PERCENT, BUT IS EXPECTED TO DECLINE TO ABOUT FIVE PERCENT.

(G) NO.

(H) GOVERNMENT PAARTICIPATION OR REGULATION INCLUDES FOLLOWING: (1) PRODUCES ABOUT 60 PERCENT OF TOTAL SUGAR PRODUCTION THROUGH CEAV KWL CONTROLS DOMESTIC SUGAR PRICE AND REQUIRES ALL PRODCUERS OF REFINED SUGAR FOR LOCAL CONSUMPTION TO SELL TO PRICE CONTROL AGENCY, INESPRE; (3) IMPOSES EXPORT TAXES; (4) IMPOSES USE RESTRICTIONS ON AMOUNT OF EXPORT TAXES RETAINED BY PRODUCERS; (5) ESTABLISHES AMOUNT OF ACREAGE FOR CANE GROWING; (5) DETERMINES LETTER OF CREDIT TERMS FOR SUGAR EXPORT SALES.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, TRADE LAW, US CONGRESSIONAL HEARINGS, LEGISLATIVE BILLS, PRODUCTION DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 02 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975SANTO02945
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750229-0978
From: SANTO DOMINGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750791/aaaaddpk.tel
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Margaret P. Grafeld
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06 JUL 2006

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TAGS: ETRD, EAGR, US, GULF & WESTERN
To: STATE
Type: TE
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